HOUSING MARKET INFORMATION

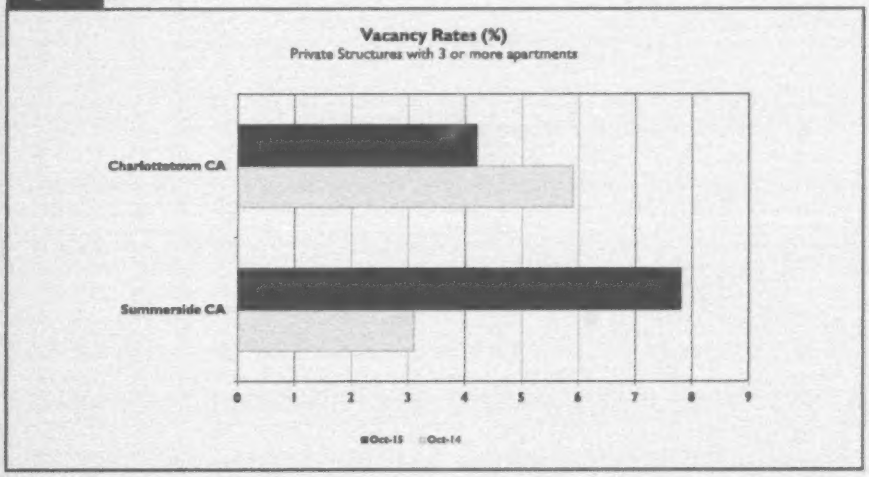
RENTAL MARKET REPORT

Prince Edward Island Highlights*

CANADA MORTGAGE AND HOUSING CORPORATION

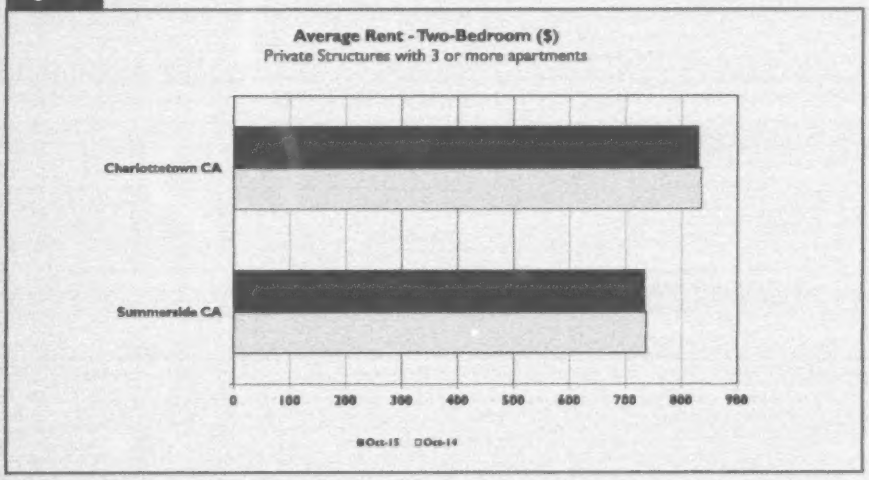
Date Released: Fall 2015

Figure 1



Source: CMHC Rental Market Survey

Figure 2



Source: CMHC Rental Market Survey

*Urban centres with a population of 10,000 + are included in the survey. A detailed report is available for the Charlottetown CA.

PEI's Overall Vacancy Rate Declines in 2015

- The overall vacancy rate in PEI's urban centres stood at 4.8 per cent as of October 2015.
- Charlottetown recorded a vacancy rate of 4.2 per cent, a decrease from 5.9 per cent last year.
- Summerside's vacancy rate climbed to 7.8 per cent from 3.1 per cent recorded in October 2014.
- The average two-bedroom rent in Charlottetown was $830, compared to Summerside's average of $734.

Canada

Housing market intelligence you can count on

CMHC SCHL
HOME TO CANADIANS

Vacancy Rates Fall in Charlottetown and Rise in Summerside

Results from Canada Mortgage and Housing Corporation's (CMHC) 2015 Fall Rental Market Survey[1] showed that the apartment vacancy rate[2] in Prince Edward Island (PEI) was 4.8 per cent in October 2015, statistically unchanged from vacancies recorded last year. Results for Charlottetown and Summerside, however, were varied.

Charlottetown, which accounts for 85 per cent of the province's urban apartment rental universe, saw vacancies decline this year to 4.2 per cent from 5.9 per cent recorded in 2014. This was the second consecutive annual decline in Charlottetown's vacancy rate; the overall apartment vacancy rate peaked at 7.9 per cent in 2013. In contrast to Charlottetown, the overall vacancy rate in Summerside increased to 7.8 per cent as of October 2015 from a rate of 3.1 per cent last year. Summerside, which has a total apartment universe of 878 units, saw an increase of 45 apartments from last year.

The significant decline in Charlottetown's vacancy rate was impacted by the continuation of strong net international migration[3] and a slowdown in the number of new units added to the rental universe. From July 2014 to June 2015, PEI recorded a net international migration of 1,308. People new to an area typically rent prior to making a home purchase decision, allowing them time to familiarize themselves with the neighbourhoods and local amenities. Since 2008, 12,384 international immigrants have entered the province.

For the past six years, Charlottetown's apartment universe expanded by nearly 180 units per year. Most years this was due to the addition of new rental stock. However, in 2015, half of this increase was due to the return of existing rental units that had been temporarily removed in order to complete renovations or repairs. Only 92 new rental apartment units were added to the rental universe in 2015, down from an average of nearly 200 units from 2010-2014.

Average Rents Remain Stable in PEI

Average rent for a two-bedroom unit across PEI's urban centres[4] was $814, with rents being higher in Charlottetown than in Summerside. The average two-bedroom rent in Charlottetown was $830 and was $734 in Summerside.

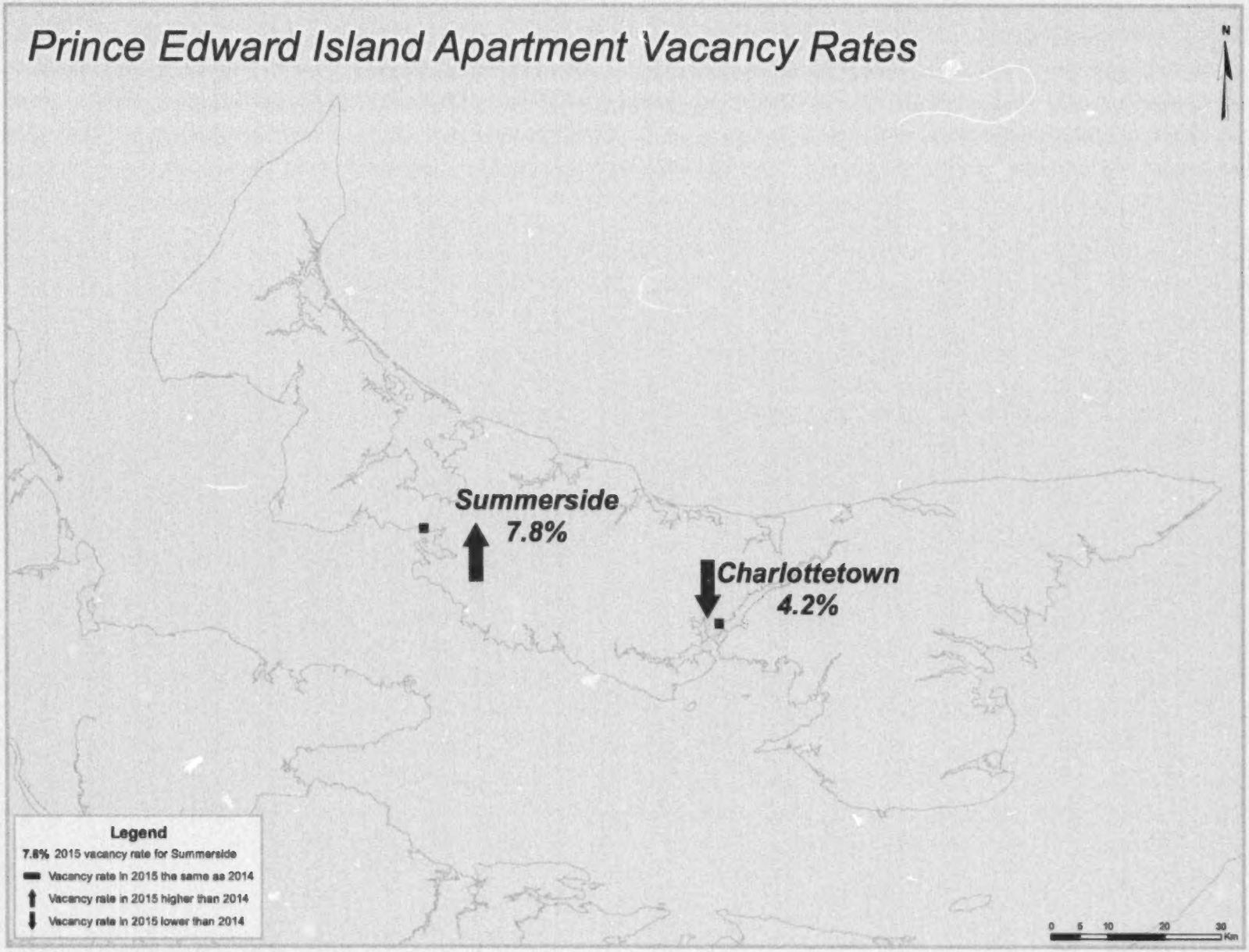
Increases in average rent in PEI do not necessarily fluctuate significantly due to changes in supply and demand but rather are fixed to the approved changes from the Island Regulatory and Appeals Commission (IRAC). For 2015, IRAC approved rent increases of 1.75 per cent for heated premises and 1.0 per cent for unheated premises. For 2016, however, IRAC has decided that a zero per cent rent increase will be allowed.

Availability Rate Trends Down in Charlottetown

In line with the current vacancy rate trends, the availability rate[5] for the urban centres in PEI stood at 5.1 per cent this year, a decline from 6.2 per cent reported in 2014. At 4.6 per cent, Charlottetown posted a lower availability rate than the provincial average, decreasing from 6.7 per cent in 2014. On the contrary, Summerside saw its availability rate rise, climbing to 7.8 per cent from 3.1 per cent in October 2014.

---

[1] Due to seasonal factors, the results of the October 2015 Rental Market Survey are not directly comparable with the results from the April 2015 Rental Market Survey.
[2] The survey is based on privately-initiated rental apartment structures of three or more units.
[3] Labour force, population, and migration data are sourced from Statistics Canada.
[4] Urban centres defined as centres with a population of 10,000 or more.
[5] A rental unit is considered available if the unit is vacant, or the existing tenant has given or received official notice to move and a new tenant has not signed a lease. As the definition of availability includes vacancy, the availability rate will always be equal to or greater than the vacancy rate.


Prince Edward Island Apartment Vacancy Rates
N
Summerside
7.8%
Charlottetown
4.2%
Legend
7.8% 2015 vacancy rate for Summerside
Vacancy rate in 2015 the same as 2014
Vacancy rate in 2015 higher than 2014
Vacancy rate in 2015 lower than 2014
0 5 10 20 30
Km

1.1.1 Private Apartment Vacancy Rates (%) by Bedroom Type Prince Edward Island

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15
Charlottetown CA	4.4	**	5.1	3.6	5.9	4.6	9.3	3.1	5.9	4.2
Summerside CA	**	**	**	6.6	2.1	6.1	0.0	**	3.1	7.8
Prince Edward Island 10,000+	**4.1**	**	**5.6**	**3.8**	**5.3**	**4.9**	**	**	**5.4**	**4.8**

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

↑ indicates the year-over-year change is a statistically significant increase
↓ indicates the change is a statistically significant decrease
- indicates that the change is not statistically significant

Please click Methodology or Data Reliability Tables Appendix link for more details

1.1.2 Private Apartment Average Rents ($) by Bedroom Type Prince Edward Island

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15
Charlottetown CA	523	533	671	685	836	830	947	966	788	789
Summerside CA	548	550	581	614	737	734	775	765	714	715
Prince Edward Island 10,000+	**525**	**534**	**663**	**678**	**819**	**814**	**909**	**915**	**777**	**777**

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):
a - Excellent ($0 \le cv \le 2.5$), b- Very good ($2.5 < cv \le 5$), c - Good ($5 < cv \le 7.5$), d - Fair (Use with Caution) ($7.5 < cv \le 10$)
** Data suppressed to protect confidentiality or data not statistically reliable.
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

1.1.3 Number of Private Apartment Units in the Universe by Bedroom Type Prince Edward Island

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15
Charlottetown CA	157	158	1,274	1,286	3,106	3,286	247	232	4,784	4,962
Summerside CA	11	11	153	152	588	613	81	102	833	878
Prince Edward Island 10,000+	**168**	**169**	**1,427**	**1,438**	**3,694**	**3,899**	**328**	**334**	**5,617**	**5,840**

** Data suppressed to protect confidentiality or data not statistically reliable.
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology or Data Reliability Tables Appendix link for more details

1.1.4 Private Apartment Availability Rates (%) by Bedroom Type Prince Edward Island

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15	Oct-14	Oct-15
Charlottetown CA	5.3 d	**	6.2 b	3.8 c	6.7 a	5.1 c	10.3 c	3.5 d	6.7 a	4.6 b
Summerside CA	**	**	**	6.6 b	2.1 b	6.1 b	0.0	**	3.1 c	7.8 b
Prince Edward Island 10,000+	**4.9**	**	**6.5**	**4.1**	**6.0**	**5.2**	**8.1**	**	**6.2**	**5.1**

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

↑ indicates the year-over-year change is a statistically significant increase
↓ indicates the change is a statistically significant decrease
- indicates that the change is not statistically significant

Please click Methodology or Data Reliability Tables Appendix link for more details

1.1.5 Private Apartment Estimate of Percentage Change (%) of Average Rent[1] by Bedroom Type Prince Edward Island

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Oct-13 to Oct-14	Oct-14 to Oct-15	Oct-13 to Oct-14	Oct-14 to Oct-15	Oct-13 to Oct-14	Oct-14 to Oct-15	Oct-13 to Oct-14	Oct-14 to Oct-15	Oct-13 to Oct-14	Oct-14 to Oct-15
Charlottetown CA	++	2.0 b	1.1 b	++	0.3 b	**	**	++	++	**
Summerside CA	-4.4 b	4.7 b	++	5.7 b	3.2 c	1.0 a	++	++	2.3 c	1.8 b
Prince Edward Island 10,000+	++	2.2	1.1	++	0.7	**	**	++	0.5	++

[1]The Percentage Change of Average Rent is a measure of the market movement, and is based on those structures that were common to the survey sample for both years.

The following letter codes are used to indicate the reliability of the estimates:
a - Excellent, b- Very good, c - Good, d - Fair (Use with Caution)
** Data suppressed to protect confidentiality or data not statistically reliable.
++ Change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0).
n/u: No units exist in the universe for this category n/s: No units exist in the sample for this category n/a: Not applicable

Please click Methodology **or** Data Reliability Tables Appendix **link for more details**

TECHNICAL NOTE:

Difference between Percentage Change of Average Rents (Existing and New Structures) AND Percentage Change of Average Rents from Fixed Sample (Existing Structures Only):

Percentage Change of Average Rents (New and Existing Structures): The increase/decrease obtained from the calculation of percentage change of average rents between two years (example: $500 in the previous year vs. $550 in current survey represents an increase of 10 percent) is impacted by changes in the composition of the rental universe (e.g. the inclusion of newly built luxury rental buildings in the survey, rental units renovated/upgraded or changing tenants could put upward pressure on average rents in comparison to the previous year) as well as by the rent level movement (e.g. increase/decrease in the level of rents that landlords charge their tenants).

Percentage Change of Average Rents from Fixed Sample (Existing Structures Only): This is a measure that estimates the rent level movement. The estimate is based on structures that were common to the survey sample for both the previous year and the current Rental Market Surveys. However, some composition effects still remain e.g. rental units renovated/upgraded or changing tenants because the survey does not collect data to such level of details.

METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey** (RMS) every year in April and October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The survey collects market rent, available and vacant unit data for all sampled structures.

The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of April/October, and the results reflect market conditions at that time.

CMHC is constantly reviewing the Universe of rental structures in the rental market Universe to ensure that it is as complete as possible. Every year, any newly completed rental structures with at least 3 rental units are added to the Universe. In addition to this, CMHC undertakes comprehensive reviews by comparing the Universe listing to other sources of data to ensure that the list of structures is as complete as possible.

CMHC's Rental Market Survey provides a snapshot of vacancy and availability rates, and average rents in both new and existing structures. There also exists a measure for the change in rent that is calculated based on existing structures only. The estimate is based on structures that were common to the survey sample for both the previous year and the current Rental Market Surveys. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of per cent change in rent is available in all Canada and Provincial Highlights publications, and also in the CMA reports (fall survey only). The rent levels in new and existing structures are also published. While the per cent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

Use caution when comparing changes in statistics from one year to the next. Even if there is a year over year change, it is not necessarily a statistically significant change. These tables include indicators to help interpret changes. ↑ indicates the year-over-year change is a statistically significant increase, ↓ indicates the year-over-year change is a statistically significant decrease, while – indicates that the effective sample does not allow one to interpret any year-over-year change as being statistically significant.

METHODOLOGY FOR SECONDARY RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts a survey of the **Secondary Rental Market** (SRMS) in late summer and early fall to estimate the relative strengths in the secondary rental market which is defined as those dwellings not covered by the regular RMS – rented single-detached homes, semi-detached (double) homes, rented freehold row/townhomes, rented duplex apartments (i.e., one-above-other), rented accessory apartments (separate dwelling units that are located within the structure of another dwelling type), rented condominiums (can be any dwelling type but are primarily apartments), and one or two apartments which are part of a commercial or other type of structure.

The SRMS has three components which are conducted in selected CMAs:

- A Household Rent Survey of all households to collect information about rents in the following CMAs: Abbotsford, Barrie, Calgary, Edmonton, Halifax, Hamilton, Kelowna, Montréal, Ottawa, Québec, Regina, Saskatoon, St. Catharines-Niagara, St. John's, Toronto, Vancouver, Victoria, Windsor and Winnipeg.
- A Condominium Apartment Rent Survey of households living in condominium apartments to collect information about rents in the following CMAs: Calgary, Edmonton, Montréal, Ottawa, Québec, Toronto, Vancouver, Victoria and Winnipeg.
- A Condominium Apartment Vacancy Survey to collect vacancy information in the following CMAs: Calgary, Edmonton, Gatineau, Hamilton, Kelowna, Kitchener, London, Montréal, Ottawa, Québec, Regina, Saskatoon, Toronto, Vancouver, Victoria and Winnipeg.

All three surveys are conducted by telephone interviews. For the condominium apartment vacancy survey, information is obtained from the property management company or condominium (strata) board, or building superintendent and can be supplemented by site visits if no telephone contact is made. For the other two surveys, information is collected from an adult living in the household. All surveys are conducted in late summer and early fall, and the results reflect market conditions at that time.

CMHC publishes the number of units rented and vacancy rates from the condominium vacancy survey. For the condominium rent and household rent surveys, the average rent is published. A letter code representing the statistical reliability (i.e., the coefficient of variation (CV)) for each estimate is provided to indicate the data reliability.

Every year CMHC reviews the method of estimation for Household Rent Survey, which may result in some changes to previously published estimates. All statistics in this report are reflective of the new method of estimation.

DEFINITIONS

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

Data presented is based on Statistics Canada's 2011 Census area definitions.

Acknowledgement

The Rental Market Survey and the Secondary Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, building superintendents and household members throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

CMHC—HOME TO CANADIANS

Canada Mortgage and Housing Corporation (CMHC) has been Canada's national housing agency for almost 70 years.

CMHC helps Canadians meet their housing needs. As Canada's authority on housing, we contribute to the stability of the housing market and financial system, provide support for Canadians in housing need, and offer objective housing research and information to Canadian governments, consumers and the housing industry. Prudent risk management, strong corporate governance and transparency are cornerstones of our operations.

For more information, visit our website at www.cmhc.ca or follow us on Twitter, YouTube, LinkedIn and Facebook.

You can also reach us by phone at 1-800-668-2642 or by fax at 1-800-245-9274.

Outside Canada call 613-748-2003 or fax to 613-748-2016.

Canada Mortgage and Housing Corporation supports the Government of Canada policy on access to information for people with disabilities. If you wish to obtain this publication in alternative formats, call 1-800-668-2642.

The Market Analysis Centre's (MAC) electronic suite of national standardized products is available for free on CMHC's website. You can view, print, download or subscribe to future editions and get market information e-mailed automatically to you the same day it is released. It's quick and convenient! Go to www.cmhc.ca/en/hoficlincl/homain

For more information on MAC and the wealth of housing market information available to you, visit us today at www.cmhc.ca/housingmarketinformation

To subscribe to printed editions of MAC publications, call 1-800-668-2642.

©2015 Canada Mortgage and Housing Corporation. All rights reserved. CMHC grants reasonable rights of use of this publication's content solely for personal, corporate or public policy research, and educational purposes. This permission consists of the right to use the content for general reference purposes in written analyses and in the reporting of results, conclusions, and forecasts including the citation of limited amounts of supporting data extracted from this publication. Reasonable and limited rights of use are also permitted in commercial publications subject to the above criteria, and CMHC's right to request that such use be discontinued for any reason.

Any use of the publication's content must include the source of the information, including statistical data, acknowledged as follows:

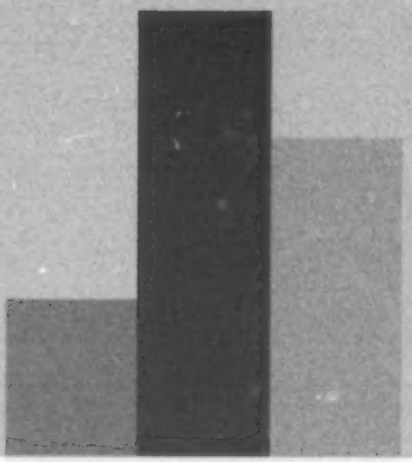
Source: CMHC (or "Adapted from CMHC," if appropriate), name of product, year and date of publication issue.

Other than as outlined above, the content of the publication cannot be reproduced or transmitted to any person or, if acquired by an organization, to users outside the organization. Placing the publication, in whole or part, on a website accessible to the public or on any website accessible to persons not directly employed by the organization is not permitted. To use the content of any CMHC Market Analysis publication for any purpose other than the general reference purposes set out above or to request permission to reproduce large portions of, or entire CMHC Market Analysis publications, please complete the CMHC Copyright request form and email it to CMHC's Canadian Housing Information Centre at chic@cmhc.ca. For permission, please provide CHIC with the following information: Publication's name, year and date of issue.

Without limiting the generality of the foregoing, no portion of the content may be translated from English or French into any other language without the prior written permission of Canada Mortgage and Housing Corporation.

The information, analyses and opinions contained in this publication are based on various sources believed to be reliable, but their accuracy cannot be guaranteed. The information, analyses and opinions shall not be taken as representations for which Canada Mortgage and Housing Corporation or any of its employees shall incur responsibility.

Housing market intelligence you can count on



FREE REPORTS AVAILABLE ON-LINE

- Canadian Housing Statistics
- Condominium Owners Report
- Housing Information Monthly
- Housing Market Outlook, Canada
- Housing Market Outlook, Highlight Reports – Canada and Regional
- Housing Market Outlook, Major Centres
- Housing Market Tables: Selected South Central Ontario Centres
- Housing Now, Canada
- Housing Now, Major Centres
- Housing Now, Regional
- Monthly Housing Statistics
- Northern Housing Outlook Report
- Preliminary Housing Start Data
- Rental Market Provincial Highlight Reports
- Rental Market Reports, Major Centres
- Rental Market Statistics
- Residential Construction Digest, Prairie Centres
- Seniors' Housing Reports

Get the market intelligence you need today!

Click www.cmhc.ca/housingmarketinformation to view, download or subscribe.

CMHC's Market Analysis Centre e-reports provide a wealth of detailed local, provincial, regional and national market information.

- **Forecasts and Analysis –** Future-oriented information about local, regional and national housing trends.
- **Statistics and Data –** Information on current housing market activities – starts, rents, vacancy rates and much more.

HOUSING MARKET INFORMATION PORTAL

The housing data you want, the way you want it

Information in one central location.

Quick and easy access.

Neighbourhood level data.

cmhc.ca/hmiportal

64511_2015_B02